

COMPLIANCE AUDIT

Catawissa Hose Company No. 1 Volunteer Firefighter's Relief Association Columbia County, Pennsylvania For the Period January 1, 2023, to December 31, 2024

April 2026



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Ms. Karen Richendrfer, President
Catawissa Hose Company No. 1 Volunteer
Firefighter's Relief Association
Columbia County

We have conducted a compliance audit of the Catawissa Hose Company No. 1 Volunteer Firefighter's Relief Association (relief association) for the period January 1, 2023, to December 31, 2024. The audit was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania; Section 403 of The Fiscal Code, 72 P.S. § 403; and the Volunteer Firefighters' Relief Association Act ("VFRA Act"), see 35 Pa.C.S. § 7418.

The objective of the audit was to determine if the relief association complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds.

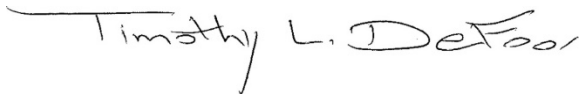
Our audit was limited to the areas related to the objective identified above and was not, nor was it required to be, conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief association funds complies with applicable state laws, contracts, bylaws, and administrative procedures, including the safeguarding of assets. Relief association officers are responsible for complying with applicable state laws, contracts, bylaws, and administrative procedures. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

Based on our audit procedures, we conclude that, for the period January 1, 2023, to December 31, 2024, the relief association, in all significant respects, complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds, except as noted in the finding listed below and discussed later in this report.

Finding – Unauthorized Expenditures

The contents of this report were discussed with the management of the relief association and, where appropriate, their response has been included in the report. We would like to thank the relief association officials for the cooperation extended to us during the conduct of the audit.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
February 18, 2026

CONTENTS

	<u>Page</u>
Background.....	1
Finding and Recommendation:	
Finding – Unauthorized Expenditures.....	3
Report Distribution List	5

BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania,¹ Section 403 of The Fiscal Code,² and the Volunteer Firefighters' Relief Association Act ("VFRA Act"),³ the Department of the Auditor General's duty is to audit the accounts and records of every volunteer firefighters' relief association to determine that funds received under the Foreign Fire Insurance Tax Distribution Law, commonly referred to as Act 205,⁴ are properly expended.

The relief association is a charitable organization that was formed primarily to afford financial protection to volunteer firefighters and to encourage individuals to participate in volunteer fire service.

The VFRA Act governs the overall operation of volunteer firefighters' relief associations. Relief association bylaws define the specific operational procedures by which relief associations conduct business. To fulfill its primary purpose, the VFRA Act authorizes specific types of expenditures and prescribes appropriate volunteer firefighters' relief association investment options. Within the parameters established by the VFRA Act, it is the responsibility of relief associations to choose investments in a proper and prudent manner.

Volunteer firefighters' relief associations receive public tax monies, and the relief association officers therefore have a responsibility to the public to conduct the relief association's financial affairs in a businesslike manner and to maintain sufficient financial records to support the propriety of all relief association transactions. Volunteer firefighters' relief association officers are also responsible for ensuring that the relief association operates in accordance with applicable state laws, contracts, bylaws, and administrative procedures.

Act 205 sets forth the computation of the Foreign Fire Insurance Tax Distribution paid to each applicable municipality throughout the Commonwealth of Pennsylvania. The amount of the distribution is based upon the population of each municipality and the market value of real estate within the municipality. Upon receipt of this distribution, the municipality must allocate the funds to the volunteer firefighters' relief association of the fire service organization or fire service organizations that is or are recognized as providing the service to the municipality.

The relief association was allocated state aid from the following municipalities:

<u>Municipality</u>	<u>County</u>	<u>2023</u>	<u>2024</u>
Catawissa Borough	Columbia	\$7,167	\$7,257
Catawissa Township	Columbia	\$6,156	\$6,250
Franklin Township	Columbia	\$4,359	\$4,427

¹ Pa. Const. Art. VIII § 10.

² 72 P.S. § 403.

³ 35 Pa. C.S. § 7411 *et seq.*

⁴ 53 P.S. § 895.701 *et seq.*

BACKGROUND – (Continued)

Based on the relief association’s records, its total cash as of December 31, 2024, was \$20,443, as illustrated below:

Cash	<u>\$ 20,443</u>
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Based on the relief association’s records, its total expenditures for the period January 1, 2023, to December 31, 2024, were \$34,490, as noted below. The accuracy of these expenditures was evaluated as part of the Department’s audit to conclude on the relief association’s compliance with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds.⁵ **The scope of the Department’s audit does not include the issuance of an opinion on the accuracy of these amounts.**

Expenditures:

Benefit Services:

Insurance premiums	<u>\$ 9,636</u>
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Fire Services:

Equipment purchased	\$ 16,756
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Training expenses	<u>725</u>
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Total Fire Services	<u>\$ 17,481</u>
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Administrative Services:

Administrative expenses	<u>\$ 5</u>
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Other Expenditures:

Unauthorized expenditures – See Finding	<u>\$ 7,368</u>
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Total Expenditures	<u>\$ 34,490</u>
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The volunteer firefighters’ relief association and the affiliated fire service organization are separate, legal entities. The relief association is affiliated with the following fire service organization:

Catawissa Hose Company No. 1

⁵ Accuracy was evaluated for a selection of transactions based on dollar amount, category, and/or random selection.

CATAWISSA HOSE COMPANY NO. 1 VOLUNTEER FIREFIGHTER'S
RELIEF ASSOCIATION
FINDING AND RECOMMENDATION

Finding – Unauthorized Expenditures

Condition: During the current audit period, the relief association incurred the following expenditures that are not authorized under the VFRA Act.

<u>Date</u>	<u>Check No.</u>	<u>Description</u>	<u>Amount</u>
03/14/2023	460	Affiliated fire company's insurance policy premium	\$ 2,894
09/19/2023	463	Affiliated fire company's insurance policy premium	2,894
08/28/2024	465	Affiliated fire company's insurance policy premium	1,580
Total			<u>\$ 7,368</u>

Criteria: Section 7416(f) of the VFRA Act states:

The funds of any volunteer firefighters' relief association may be spent:

- (1) To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of the affairs of the association, including legal fees, rental or purchase of offices, payment of reasonable compensation of employees and purchase of office equipment and supplies.
- (2) To purchase contracts of insurance which, at a minimum, shall afford financial assistance to active members of the fire service represented by the association against losses due to injury suffered in the fire service and may also provide, in the order named: (i) for payments to the surviving spouse or other dependents of a member in the event of the member's death; (ii) for protection of active firefighters against disease; (iii) for replacement or purchase of prosthetic devices such as visual aids, hearing aids, dentures, braces, crutches and the like, where those devices have been lost or damaged while the owner was engaged in the fire service or where the need for those devices arose because of functional impairment attributable to participation in the fire service; (iv) for repair or replacement, if necessary, of articles of clothing or pocket pagers damaged or lost in the course of participation in the fire service; and (v) for disability incurred after service for a minimum of 20 years as a volunteer firefighter.

CATAWISSA HOSE COMPANY NO. 1 VOLUNTEER FIREFIGHTER'S
RELIEF ASSOCIATION
FINDING AND RECOMMENDATION

Finding – (Continued)

In addition, Section 7418(b) of the VFRA Act states:

- (b) Findings -- If the Auditor General finds that money received by a volunteer firefighters' relief association has been expended for a purpose other than one authorized by this subchapter, the commissioner, upon receiving notice of the finding from the auditor general, shall decline to approve payment to the volunteer firefighters' relief association until the improperly expended amount has been reimbursed to the relief association fund.

Costs associated with the payment of affiliated fire company insurance premiums do not qualify as authorized volunteer firefighters' relief association expenditures; consequently, these expenditures are not authorized under the VFRA Act.

Cause: The relief association officials indicated that they were unaware that the aforementioned expenditures were not authorized by the VFRA Act.

Effect: As a result of the unauthorized expenditures, relief association funds were not available for investment purposes or for expenditures authorized by the VFRA Act.

Recommendation: We recommend that the relief association be reimbursed \$7,368 for the unauthorized expenditures and that relief association officials become familiar with Section 7416(f) of the VFRA Act to aid them in determining the propriety of future expenditures. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management Response: Relief association management agreed with the finding as presented at the audit exit conference and, as a result of our audit, the relief association was reimbursed \$7,368 by the affiliated fire company.

Auditor's Conclusion: We reviewed documentation verifying the receipt and deposit of the \$7,368 reimbursement received from the affiliated fire company. Compliance for authorized expenditures made during the next audit period will be subject to verification.

CATAWISSA HOSE COMPANY NO. 1 VOLUNTEER FIREFIGHTER'S
RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Catawissa Hose Company No.1 Volunteer Firefighter's Relief Association Governing Body:

Ms. Karen Richendrfer
President

Mr. Wayne "Buckwheat" Shultz
Vice President

Ms. Jillian Richendrfer
Secretary

Mr. Brandon Richendrfer
Treasurer

The following municipalities allocated foreign fire insurance tax monies to this relief association and received a copy of this report:

Ms. Connie M. Cole
Secretary
Catawissa Borough

Ms. Tracy Miller
Secretary
Catawissa Township

Ms. Nancy Yost
Secretary
Franklin Township

CATAWISSA HOSE COMPANY NO. 1 VOLUNTEER FIREFIGHTER'S
RELIEF ASSOCIATION
REPORT DISTRIBUTION LIST

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.